

STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: **JOSE M. ROMO dba Money \$ Money Payday Advance**
2016 N. Riverside Ave., Suite # C
Rialto, CA 92377

CITATIONS
AND
DESIST AND REFRAIN ORDER
AND

ORDER TO VOID DEFERRED DEPOSIT TRANSACTIONS

(For violations of California Financial Code §§ 23024, 23027, 23036 (c) and California Code of Regulations, Title 10, § 2025 (b) and (c)(1))

The California Corporations Commissioner finds that:

1. JOSE M. ROMO, doing business as Money \$ Money Payday Advance (“Money \$ Money”) is and was, at all relevant times, an individual licensed by the Department of Corporations as a deferred deposit originator with its principal place of business located at 2016 N. Riverside Ave., Suite # C, Rialto, CA 92377.

2. Since at least August 2, 2005, Money \$ Money engaged in the business of deferred deposit transactions by offering, originating and making deferred deposit transactions.

3. A deferred deposit transaction means a written transaction whereby one person give funds to another person upon receipt of a personal check and it is agreed that the personal check shall not be deposited until a later date.

4. On June 6, 2007, the Commissioner commenced a regulatory examination of the books and records of Money \$ Money. The examination revealed that Money \$ Money violated numerous provisions of the CDDTL as more specifically described below:

- (a) Money \$ Money failed to provide a current quarterly financial statement as required by California Code of Regulations, Title 10, § 2025(b), demonstrating that the minimum net worth prescribed under California Financial Code § 23007 is met.

(b) Money \$ Money's advertisements do not comply with California Financial Code § 23027 (b) in that the advertisements do not state that the company is licensed by the Department of Corporations Pursuant to the California Deferred Deposit Transaction Law.

(c) Money \$ Money's loan files did not contain evidence of the check made for each deferred deposit transaction in violation of California Code of Regulations, Title 10, § 2025 (c)(1).

(d) Money \$ Money originated deferred deposit transactions while an existing agreement was still in effect for the same customer in violation of California Financial Code § 23036 (c).

On August 13, 2007, an expanded examination of loan files from August 2, 2005 to the present was commenced in order to determine the number of borrowers that entered into deferred deposit transactions while an agreement for their existing deferred deposit transactions were still in effect. The expanded examination revealed that Money \$ Money originated deferred deposit transactions for four (4) customers (J.W., C.N., A.E., and M.C.) during a period of time in which an earlier deferred deposit transaction for those same customers was still in effect. Additionally, the expanded examination also revealed that Money \$ Money failed to keep a record of written agreements for all originated deferred deposit transactions in violation of California Financial Code § 23024.

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II.
CITATIONS

AND

DESIST AND REFRAIN ORDER

California Financial Code § 23058 states:

(a) If, upon inspection, examination or investigation, based upon a complaint or otherwise, the department has cause to believe that a person is engaged in the business of deferred deposit transactions without a license, or a licensee or person is violating any provision of this division or any rule or order thereunder, the department may issue a citation to that person in writing, describing with particularity the basis of the citation. Each citation may contain an order to desist and refrain and an assessment of an administrative penalty not to exceed two thousand five hundred dollars (\$ 2,500). All penalties collected under this section shall be deposited in the State Corporations Fund.

(b) The sanctions authorized under this section shall be separate from, and in addition to, all other administrative, civil, or criminal remedies.

(c) If within 30 days from the receipt of the citation of the person cited fails to notify the department that the person intends to request a hearing as described in subdivision (d), the citation shall be deemed final.

(d) Any hearing under this section shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and in all states the commissioner has all the powers granted therein.

(e) After the exhaustion of the review procedures provided for in this section, the department may apply to the appropriate superior court for a judgment in the amount of the administrative penalty and order compelling the cited person to comply with the order of the department. The application, which shall include a certified copy of the final order of the department, shall constitute a sufficient showing to warrant the issuance of the judgment and order.

California Financial Code § 23050 provides in pertinent part:

Whenever, in the opinion of the commissioner, any person is engaged in the business of deferred deposit transactions, as defined in this division . . . or any licensee is violating any provision of this division . . . the commissioner may order that person or licensee to desist and to refrain

1 from ... further violation of this division. If, within 30 days, after the order is
2 served, a written request for a hearing is filed and no hearing is held within 30
3 days thereafter, the order is rescinded.

4 CITATIONS

5 Money \$ Money's specific violations include the following California Financial Code
6 sections: 23024, 23027, 23036 (c) and California Code of Regulations, title 10, § 2025 (b) and
7 (c)(1). For Money \$ Money's violations, the Commissioner is issuing Citations A through H as
8 follows:

- 9 1. **CITATION A** - Money \$ Money failed to provide a current quarterly financial statement as
10 required by California Code of Regulations, Title 10, § 2025(b), demonstrating that the
11 minimum net worth prescribed under California Financial Code § 23007 is met.
- 12 2. **CITATION B** – Money \$ Money's advertisement failed to comply with California Financial
13 Code § 23027 (b).
- 14 3. **CITATION C** – Money \$ Money failed to retain evidence of the check for each deferred
15 deposit transaction in violation of California Code of Regulations, title 10, § 2025 (c)(1).
- 16 4. **CITATION D** – Money \$ Money originated a deferred deposit transaction with a customer
17 (J.W.) while a previous deferred deposit transaction with the same customer was still in
18 effect in violation of California Financial Code § 23036 (c).
- 19 5. **CITATION E** - Money \$ Money originated a deferred deposit transaction with a customer
20 (C.N.) while a previous deferred deposit transaction with the same customer was still in
21 effect in violation of California Financial Code § 23036 (c).
- 22 6. **CITATION F** - Money \$ Money originated a deferred deposit transaction with a customer
23 (A.E.) while a previous deferred deposit transaction with the same customer was still in
24 effect in violation of California Financial Code § 23036 (c).
- 25 7. **CITATION G** - Money \$ Money originated a deferred deposit transaction with a customer
26 (M.C.) while a previous deferred deposit transaction with the same customer was still in
27 effect in violation of California Financial Code § 23036 (c).
- 28 8. **CITATION H** – Money \$ Money failed to maintain written agreements for all deferred
deposit transactions in violation of California Financial Code § 23024.

Pursuant to California Financial Code § 23058, Jose Romo dba Money \$ Money Payday Advance is hereby ordered to pay to the Commissioner within 30 days from the date of these citations, an administrative penalty of two thousand five hundred dollars (\$2,500) for each of the eight citations listed below for the total amount of twenty thousand dollars (\$20,000).

(1) **CITATION A** - \$2,500

(2) **CITATION B** - \$2,500

(3) **CITATION C** - \$2,500

(4) **CITATION D** - \$2,500

(5) **CITATION E** - \$2,500

(6) **CITATION F** - \$2,500

(7) **CITATION G** - \$2,500

(8) **CITATION H** - \$2,500

These Citations shall remain in full force and effect until further order of the Commissioner.

DESIST AND REFRAIN ORDER

Pursuant to California Financial Code §§ 23050 and 23058, Jose Romo dba Money \$ Money Payday Advance is hereby ordered to desist and refrain from engaging in the business of deferred deposit transactions in the State of California in violation of California Financial Code §§ 23024, 23027, 23036 (c) and California Code of Regulations, title 10, § 2025 (b) and (c)(1).

The Desist and Refrain Order is necessary for the protection of consumers and consistent with the purposes, policies and provisions of the CDDTL. This Order shall remain in full force and effect until further order of the Commissioner.

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III.**ORDER TO VOID DEFERRED DEPOSIT TRANSACTIONS**

Jose Romo dba Money \$ Money Payday Advance willfully violated California Financial Code § 23036 (c) by entering into deferred deposit transactions with at least four (4) consumers (J.W., C.N., A.E, and M.C.) while existing loans were outstanding. The amount of these transactions total \$4,500.

California Financial Code section 23060 states:

(a) If any amount other than, or in excess of, the charges or fees permitted by this division is willfully charged, contracted for, or received, a deferred deposit transaction contract shall be void, and no person shall have any right to collect or receive the principal amount provided in the deferred deposit transaction, any charges, or fees in connection with the transaction.

(b) If any provision of this division is willfully violated in the making or collection of a deferred deposit transaction, the deferred deposit transaction contract shall be void, and no person shall have any right to collect or receive any amount provided in the deferred deposit transaction, any charges, or fees in connection with the transaction.

Pursuant to California Financial Code § 23060, subdivision (b), the above described deferred deposit transactions for consumers (J.W., C.N., A.E., and M.C.) totaling at least \$4,500 are void and Jose Romo dba Money \$ Money Payday Advance has no right to collect or receive any amount provided in the deferred deposit transactions or any charges or fees in connection with these consumer transactions and is hereby ordered to immediately return any amount and all charges and fees received for these transactions.

Dated: March 11, 2008
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Lead Corporations Counsel
Enforcement Division